Date: 27 February 2025

To: House Committee on Agriculture, Land Use, Natural Resources, and Water
Representative Ken Helm, Co-Chair
Representative Mark Owens, Co-Chair
Representative Sarah McDonald, Vice Chair
Representative Court Boice, Member
Representative Annessa Hartman, Member
Representative Bobby Levy, Member
Representative Pam Marsh, Member
Representative Susan McLain
Representative Anna Scharf, Member

From: Gil Sylvia, PhD
Emeritus Faculty, Oregon State University

Subject: Opposition to HB 2965--follow-up to public hearing

Dear Representatives,

I stand in opposition to HB 2965 and believe this proposed legislation would not serve Oregon's interests. Before I present arguments I would like to provide some background on my experience and credentials. I am an Emeritus Professor of Oregon State University (OSU) with 34 years in service at OSU as well as 22 years as Director of the Coastal Oregon Marine Experiment Station. I have a PhD in economics and a Master's degree in fisheries biology with an aquaculture concentration. I have extensive applied research experience in commercial fisheries, aquaculture, and seafood marketing. Relevant to this issue, I did my dissertation work exploring economic policy approaches for managing the externalities of net-pen salmon farming[1]. I should note that I am also President of the Port of Newport Commission and have served as a commissioner for five years. Finally I should note that the views presented in this statement are mine alone and do not necessarily represent those of OSU or the Port of Newport.

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[1] Sylvia, G. 1989. An Economic Policy Model for Net-pen Salmon Aquaculture Development: a Dynamic Multilevel Approach. Ph.D. Dissertation. University of Rhode Island, Kingston. 255 pp.

Sylvia, G. and J.L. Anderson. 1993. A Dynamic Multilevel Policy Model for Net-Pen Salmon Aquaculture Development; in *Aquaculture: Models and Economics*, eds. U. Hatch and H. Kinnucan, Westview Press, Boulder, Colorado:17-38.

Sylvia, G., J. Anderson and D. Cai. 1996. A Multilevel Multiobjective Policy Model: the Case of Marine Aquaculture Development. *American Journal of Agricultural Economics*, 78:79-88.

HB 2965, if passed, would result in both bad law and policy. The bill's intent is to permanently ban one type of aquaculture production technology -- marine net pens. If the last 60 years in U.S. environmental policy-making has taught us anything is that government and non-government organizations alike have no special abilities for picking winning and losing technologies. Efforts to mandate or exclude technologies to manage pollution are often wrong and/or quickly outdated. These lessons demonstrate that the primary focus on environmental policy should instead be targeted on developing environmental standards that *incentivize industry to create approaches and technologies that reduce environmental externalities while also creating jobs, income, and tax revenue, for rural communities*.

If I was working for the supporters of HB 2965 I would redirect their efforts to first answer the following question: do conditions in Oregon, including geographical, as well as legal and policy, really support development of a harmful marine net pen industry? Even a little diligence would reveal the answer to be a resounding NO!! First, Oregon has a complex regulatory environment controlling aquaculture development including regulations developed and/or enforced by ODF&W, ODA, DLCD, DEQ, NOAA, and Army Corps (just to name a few). In addition, State Zoning Laws including Goal 16 (Estuaries) and Goal 19 (Territorial Sea) set strict standards for any type of operation seeking to use our estuaries and oceans. As a Port Commissioner I can testify to the comprehensiveness as well as the real costs and burdens this places on estuarine and ocean users. Any user including aquaculturists must describe all their potential impacts and how their operation would not create ***significant adverse impacts*** to the environment and marine ecosystems. A very high burden indeed!

And reality demonstrates that the geography of Oregon is not conducive to support "industrial" type net pen aquaculture. Our estuaries are too small and shallow and estuarine currents inadequate to assimilate net pen generated effluent—affecting the user's operation as well as the environment. In addition, the existing permitting and regulatory process would never approve an operation which could not meet the state's environmental standards including demonstrating there would be no significant adverse impacts. And our near shore ocean environment is too rough and unprotected as well as having low oxygen during upwelling summer months to make traditional net pens operations feasible. Net pens would have to be submersible and movable which would significantly increase their costs. Maybe one day in the future? Possibly. But today, probably not.

A question raised after the testimony was why are the other West Coast states banning net pen aquaculture? Aren't those decisions based on sound science? Good question but the answer is "No". Most of these decisions were based on politics and contemporary environmental attitudes —not sound science. For example, Alaska banned all finfish farming in 1990 after establishing a one year moratorium to study the issue. The Governor's Task Force recommended allowing marine aquaculture including salmon net pen aquaculture if sound policies and regulations were implemented. The legislature disregarded these findings and voted for the ban anyway. One of my students did a study[2] and survey to determine why the legislature disregarded the recommendations. The answers were fairly predictable and went as follows: "it was a good

[2] Paine, B. C. 1991. Analysis and Review of Policy, Decision-making, and Politics Regarding Finfish Aquaculture in Alaska. Masters Thesis, Marine Resource Management, College of Oceanography, Oregon State University. 180pp.

Task Force report and while there may be advantages to allowing aquaculture, my constituents who are primarily rural fishermen and salmon trollers were against it." Today the Governor of Alaska is proposing that the state begin to roll back some of the prohibitions and allow certain types of finfish aquaculture.

And I believe the recent decision in the State of Washington to ban net pens was also not based on science but self-serving politics. The Dept of Natural Resources ignored other state and federal agencies who had contrasting science-based findings. This decision is now being challenged in the courts -- we will see what happens. And while British Columbia had a directive to remove salmon net pens by 2028 that decision is now being reviewed. And even California, which has very restrictive environmental policies so that approval of net pens would be unlikely, has not explicitly banned net pens from its estuaries and bays.

In conclusion, it would be a mistake for Oregon to follow in the sloppy policy footsteps of other West Coast states. We can do better, and consistent with Oregon's reputation as a progressive green state, we can create smart policies and regulations and welcome creative and sustainable aquaculture entrepreneurs that protect the environment while also providing jobs, income, and protein to our communities—especially rural and coastal communities. Consistent with the *"Oregon Way"* I and others are willing to sit down with serious folks and have a discussion of how we develop smart policy and incentive-based standards consistent with supporting creative and sustainable aquaculture.

1) Any objective scientific review of the net pen aquaculture industry demonstrates that it is a sustainable industry if operated using best practices and sensible public policies and regulations. The findings of major federal agencies including NOAA/NMFS and USDA also support that conclusion.

2) It does not appear that the developers and sponsors of this legislation reached out to critical stakeholders including industry, public agencies, and universities. For example, the Port of Newport was not consulted about this bill which is surprising given that a number of Ports along the coast including Newport have ongoing aquaculture activities and/or aquaculture development as a key goal in their long term strategic plans.

For all these reasons the HB 2965 would be an unnecessary regulatory burden and would send the wrong signals to entrepreneurs and developers looking to advance sustainable aquaculture in the state of Oregon.

THANK YOU.